



Global challenges – Global solutions: COVID-19 and the Employment Policy Response

Q&A for:

In the uneven recovery from the COVID-19 jobs crisis, women are being left behind

Interview with Valeria Esquivel, Employment Policies and Gender specialist in the Employment, Labour Market and Youth Branch of the ILO's Employment Policy Department

Introduction by host:

The COVID-19 pandemic has had a devastating impact on the world of work, especially for women. Lockdowns, restrictions on activity and movement, and economic turmoil have cut working hours and eliminated jobs.

In 2020, the most recent ILO projection shows that employment for both women and men is likely to recover in 2021, but at a slower pace than predicted just months ago.

In a recent statement, ILO Director-General Guy Ryder put it this way:

"These developments in working hours have translated into an uneven and fragile recovery in employment compared to 2020...While...unemployment has been gradually declining; inactivity has tended to stay stubbornly high. Women and young people, again, we show have continued to be disproportionately affected by employment losses."

As the Director-General says, the COVID-19 crisis has caused unprecedented job losses, hitting women the hardest. What's more, there's preliminary evidence suggesting that the recovery is not benefiting women and men equally, once again leaving women behind. But the news is not all bad. We've learned a lot during this crisis, and now have a clearer picture of its impact on jobs, and what we can expect in the future. We now have vaccines, and we know that the right employment policies can safeguard jobs and support recovery.

With us today to unpack this complex story and shed light on what we have learned and what we need to do is Valeria Esquivel, Employment Policies and Gender specialist in the Employment, Labour Market and Youth Branch of the ILO's Employment Policy Department.

Valeria, welcome to the podcast.

Thank you, Tom. Glad to be here.

I'd like to begin with a general question. Your latest policy brief says the pandemic has caused catastrophic losses in employment for women in 2020. Could you expand on the pandemic's heavy cost to women in the workplace, including the estimates going forward?

Indeed, the pandemic caused catastrophic losses in employment for women in 2020. In percentage terms, jobs losses were larger for women, at 4.2 per cent compared to 3.0 per cent for men. While men's employment is projected to return to its pre-pandemic 2019 level, employment for women is likely to remain roughly at its 2018 level. This means that total jobs for women would be 13 million fewer in 2021 than in 2019.

I think it is important to see these figures in comparison with population growth, because population keeps on growing and employment should keep on growing with population. And therefore, we can focus on employment-to-population ratios. The employment-to-population ratio for women declined in 2020 to 42.3 per cent at the global level, down from 44.8 per cent in 2019. And

similarly, the employment-to-population ratio for men declined from 70.4 per cent in 2019 to 67.5 per cent in 2020.

The ILO projects that the employment-to-population ratios for both women and men will stay below their pre-pandemic level by the end of 2021.—The picture, indeed, in this respect is grim.

It is indeed and I think the numbers spell that out. Regarding the recovery, in an interview with you last year you had said there was a risk that the recovery would leave women behind. Is this the case now?

Well, you know, as the Director General said, the recovery is uneven, and is not taking place at the same pace everywhere. We have only some preliminary evidence, but this evidence suggests that the recovery is not benefiting women and men equally. Women seem not to be benefiting from the positive GDP growth rates already seen in some places in 2020, as the correlation between year-on-year variations in real GDP and women's employment growth is negative. We still need to see what happens in 2021, but if confirmed these trends mean that GDP recovery is leaving women behind, a pattern we have observed in previous crises.

So, what's behind this discrepancy in the recovery between women and men? In our previous conversation, we talked about how women's over-representation in certain sectors and care responsibilities could severely affect their employment. What do we know now?

In 2020, we had estimated that around 40 per cent of all employed women worked in sectors at the highest risk of job losses during the crisis – like manufacturing, wholesale and retail trade, or accommodation and food services. This figure rose to almost half of all women workers once some medium-high risk sectors, like arts and entertainment and domestic workers were included. The comparative figures for men were 36.6 and 40.4 per cent, respectively. Therefore, men were at less risk to lose their employment as compared to women.

Now we know that indeed, it is the case that the structure of women's employment is behind their greater employment losses, vis-a-vis that of men's. Moreover, in countries where the net loss of employment has been the greatest, unfortunately most of them in the Americas, the impact has been far worse for women than for men. Peru, Costa Rica, Ecuador, Chile, Brazil, Mexico and the United States all experienced dramatic declines in women's employment in 2020. In countries such as Viet Nam, Poland and Serbia, men gained in employment in some sectors, but not enough to compensate for the losses in others. The same is true for Austria, Greece, Poland, the Republic of Korea and Serbia in the case of women, with gains that were unable to compensate job losses.

We also have found out that for women and men alike the job retention policies put in place by certain countries, notably in Europe, mitigated the negative net impact on employment caused by the crisis, meaning comparatively fewer jobs lost overall than in countries without such policies. This is very significant in the case of women, as we know from previous crises that when women lose employment and they detach from the labour market, it is harder for them to go back when the recovery kicks in.

One element of this that stands out is the impact of the COVID-crisis on young women (aged 15 to 24)? Can you elaborate on that?

Young women have been particularly hit hard by factors that have impacted women in general more strongly than men: as I have just mentioned, an over-representation in sectors severely affected by the crisis, such as accommodation, domestic work or labour-intensive manufacturing like garment-making; and an over-representation in informal employment, where it is cheaper and easier to fire workers. In the case of young women, to these factors are added other youth-specific factors, like the fact that young people constituted a large proportion of jobseekers at a time when there were restrictions on searching for a job, and that when self-employed they often lacked the resources to stay afloat financially. A weaker attachment to the

labour market also meant young women were frequently beyond the reach of emergency policies designed to support more senior (or formal) workers.

According to a sample of 35 high-income countries, young women's employment shrank by 11.8 per cent, almost twice as much as it did for young men. This is also far more than for adult women, who lost 0.8 per cent of employment in 2020 in median terms, while adult men lost 0.6 per cent. But, if we move to middle-income countries, the picture is even grimmer. Data from a sample of 23 middle-income countries show that approximately 1 in 6 young women (almost 16 per cent) lost their job in 2020. This is over twice as many young men, over three times as many adult women and nearly six times as many as adult men. Clearly, as you said, Tom, it is young women who are experiencing the worst of the COVID-19 employment impacts.

Why is it that unemployment has not increased as much as one would have expected, despite the catastrophic losses in employment during 2020?

Well, because employment losses mostly translated into economic inactivity and not into unemployment. This has been especially the case for young women and, to a lesser extent, also for young men and adult women. In some cases, economic inactivity has increased to such a degree that unemployment has actually declined. For example, for young women in Portugal, Italy and Greece and for young men in Romania, Belgium, Hungary, France and Greece. But there are exceptions to this trend. In the United States and Canada, for example, the increase in unemployment was greater than the increase in economic inactivity for both young women and young men. For young men, this is also the case in European countries such as Sweden, Italy and Spain.

These massive increases in young and adult women's economic inactivity resulted from at least two distinctive characteristics of the COVID-19 crisis. First, this demand-and-supply crisis not only restricted job opportunities but also the ability to search for a job, in the absence of which workers could not be counted among those unemployed, even when available and willing to work. Second, the

closure of schools and other care services, restrictions to mobility and, in many cases, the caring for those infected by the virus but suffering only mild symptoms, created an unprecedented demand for care within the home. Available evidence shows that most of this demand fell to women to fulfil, who even prior to “lockdowns” were already doing most of the unpaid care work. We don’t know yet whether inactivity levels will remain high in the future, or for how long this pattern will persist.

Thanks, Valeria. The latest ILO Monitor singles out the fiscal stimulus packages and vaccination roll-out as key factors behind the recovery, or lack of it for some countries. What can you tell us more about these two factors from a gender perspective?

Vaccination roll-out is associated to recovery because the sooner countries have had a significant proportion of their population fully vaccinated, the earlier they have been able to remove restrictions to economic activities and avoid further COVID-19 infection waves. As I explained before, women’s employment impacts have been associated to those activities that suffered most from lockdowns and restrictions to mobility: food and accommodation, entertainment, tourism, domestic work. We can therefore speculate that a “back to the new normal” and the reopening of hard-hit sectors will have a positive effect on women’s employment – or at least on these sectors’ demand for workers. Will these jobs be in the numbers needed? Will working conditions improve to attract workers who are no longer ready to work for meagre wages? We don’t know yet. On the other hand, the vaccination rollout still lags behind in many low and middle-income countries, and recovery has not yet started or is still very weak.

Which connects to the other dimension you mentioned, Tom, about fiscal stimulus packages. The consensus has been that fiscal stimulus packages are necessary to weather the crisis and kick-start recovery. Rhetoric has been accompanied by support, as per, for example, the unprecedented allocation by the IMF of US\$650 billion in special drawing rights, which should help low and middle-income countries. Yet, slow vaccination, debt distress and fiscal constraints that remain are hindering recovery in these countries, with the

known consequences on women. I believe time is of the essence here, not only to avoid further waves of COVID-19, but also because the longer women are out of employment, the harder it is for them to go back, as per the experience of last crises.

Let me also mention that when thinking about fiscal stimulus packages, it is not only the amount of new expenditure – the size of the package – that matters, but also where the resources are channelled to that matters for gender equality. In the framework of the UN Women-ILO Joint Programme that's called "Promoting decent employment for women through inclusive growth policies and investments in care" (we have a long name) we published early this year a tool to analyse fiscal stimulus packages from a gender perspective. There, the emphasis is in identifying the areas in which public expenditure could help address the gendered impacts of the crisis, from expanding health coverage and income support social protection measures, to gender-responsive industrial policy and investments in care.

Indeed, we do hear a lot about investments, especially “investments in the care economy”? Could you explain that for us and what that means?

Well, we certainly hear a lot about it because the COVID-19 pandemic has laid bare how dependant our lives are on the care we receive. The UN Secretary General has called for the creation of at least 400 million jobs, primarily in the green and care economies by 2030. That is, decent jobs in the education sector and in the health care and social work sectors. Investments in the care economy are central, we believe, to a job-rich, gender-responsive recovery, as they support women's reentry into the labour market, reduce vulnerability among children and the elderly, enhance resilience expanding health coverage to all, and they create jobs. Given care sectors are labour intensive and two-thirds of care workers are women (in health, up to 70 per cent of workers are women), investments in care have the potential to create decent jobs, particularly for women.

In the past, you have mentioned the importance of having a gender-responsive employment policy framework. What exactly does this mean? Can you break this down for us?

Gender-responsiveness means explicitly pursuing gender equality objectives in employment policies, based on diagnoses of how policy options affect women and men differently. Let me quote from the "*Global call to action for a human-centred recovery from the COVID-19 crisis*". The text recognizes that: "Women have suffered disproportionate job and income losses, including because of their over-representation in the hardest-hit sectors, and many continue to work on the front line, sustaining care systems, economies and societies, while often also doing the majority of unpaid care work, which underscores the need for a gender-responsive recovery." Furthermore, it calls for strategies that have full, productive and freely chosen employment at their heart, and that are (and I quote again) "gender-responsive, to build forward better from the crisis". This is a very strong mandate that is guiding all our employment policy work.

Valeria, I want to thank you for that very comprehensive, in-depth analysis.

Thank you for having me.

Moderator out:

It's clear that without extraordinary policy efforts, the emerging post COVID-19 world might just be one where existing gender inequalities in terms of access and quality of employment just get worse.

That's not good. But as Valeria has explained, we now know more than we did a year ago. And we know countries need support to put in place job-rich, gender-responsive recovery policies. Let's hope that when we say we want to "build back better", what we mean is "building back fairer", meaning a fairer future for both women and men.

I'm Tom Netter, and you've been listening to the ILO podcast series Global challenges – Global solutions: COVID-19 and the Employment Policy Response. Thank you for your time.